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Insurance Commissioner

Insurance Department Press Release

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Insurance Commissioner Issues Notices to Policyholders, Subscribers, Providers and Agents

Concord, NH, January 11, 2000

Insurance Commissioner Paula Rogers is today issuing several notices to persons affected by the liquidation of Tufts Health Plan of New England, Inc. ("TNE"). Commissioner Rogers is sending, via first class mail, separate letters to all policyholders of TNE, as well as to each of the Company's individual subscribers, contract providers and contract agents and brokers. The four letters will be available at the Department's web site: www.state.nh.us/insurance

In addition, the Commissioner issued the following statement relative to TNE's payment of provider claims:

Information Regarding Payment of Provider Claims

"In the Order of Liquidation entered on January 3, 2000 ("Order"), the Merrimack County Superior Court adopted my recommendation, acting as TNE Liquidator, that claims incurred by TNE contracted healthcare providers in rendering medically necessary services to TNE subscribers between December 20, 1999 through February 2, 2000 be deemed costs of administration pursuant to RSA 402-C: 44 and 402-C: 45.

"At my direction, TNE staff has worked to program changes into the healthcare provider claims payment provisions in TNE's automated claims processing system so that TNE systems will operate in a manner consistent with the Order. Program changes

include splitting claims between pre- and post-petition periods, providing for special provisions that might vary between states, differentiating between contracted healthcare providers and non-network providers, and other features common to this process.

“Once those program changes have been input and tested, our consultants expect TNE to resume paying healthcare provider claims with a claims run no later than Sunday, January 16, 2000. When TNE resumes paying healthcare provider claims, our consultants have been assured that TNE's automated claims processing system will pay any backlogged claims that would have been appropriately paid during the preceding period of delay.

“Healthcare provider claims for services prior to December 20, 1999 will be held awaiting the receipt of appropriate proof of claim documentation and the marshaling of TNE assets to satisfy those claims. If sufficient TNE assets can be marshaled (and claim obligations quantified and verified through collaboration with healthcare providers and other claimants), I expect to petition the court to allow interim distributions on those claims for services prior to December 20, 1999.

“I, as well as Department staff and our consultants, continue to work with TNE and its affiliates to ensure that healthcare providers are paid for services to TNE members in a manner consistent with the Order. I appreciate the continuing efforts of healthcare providers, as well as their trade associations, in the three states where TNE has operated to maintain the provision of appropriate, quality care to their patients who are TNE members during this very difficult time.”

The foregoing statement is also available at the Department website, which will be updated regularly as information develops.